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VANTAGE POINT

Guest commentary from industry sources

Automated Onboarding

Replacing manual processes with network technology, carriers grow producer channels and accelerate time to revenue.

By Scott Morrison

ALTHOUGH INSURERS have begun embracing electronic and Web-based approaches to recruiting, onboarding and managing agents, most organizations have seen only patches of efficiency and cost savings.

For example, a recruitment campaign launched through Monster.com or other employment Web sites reaches more and better-qualified candidates than does a 1 x 2-inch classified ad in the local newspaper. But after passing through the initial screening, a candidate is reviewed for licensure or licensed, appointed in one or more states with one or more writing companies, subjected to a background investigation, positioned in a compensation hierarchy (if the organization uses them), set up in payroll, new business or other back-office systems, and otherwise pulled like a minivan in a



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carwash through a succession of checks and scrubblings. In most organizations, each step is performed independently, with redundant information keyed into isolated electronic systems, and accompanied by a folder full of paper forms, reports and

other documentation.

The industry has computerized manual processes without changing the processes themselves. Where once a paper-based method to contract a new agent took 26 steps, it now takes the same 26 steps on computer screens. Most organizations still rely on “people power” to pull the electronic triggers on multiple systems that move data from one stage in the process to the next. The disappointing sum of efforts to date has been only to digitize a process requiring far too many separate steps and involving too much human interaction.

By automating the producer recruiting and onboarding workflow, we can eliminate steps and re-work and compress time-to-revenue.

LINK DISPARATE SYSTEMS

To gain full efficiencies of electronic technology, we can begin by linking

disparate, standalone systems together so they can pass information to one another. Networked systems can include not only an organization's own enterprise systems, but external systems as well, such as state and national producer credentialing registries, state insurance licensing departments, background investigation and education vendors, and even other carriers, agencies or brokerages.

To understand the advantage of fully networked systems, we can look to the banking industry. It launched the first automated teller machines (ATMs) some 30 years ago. Initially, banks placed ATMs in their lobbies. However, to accommodate a populace on the go, the banking industry placed ATMs anywhere people needed cash. To allow any customer of any bank to use another bank's ATM required the formation of open networks. Only after solitary ATMs were linked together did adoption of the "bank anywhere" concept really take flight.

EXAMPLES

A carrier's online recruiting and contracting system can "talk" to back-office applications

and set up new producers in human resources, policy and new business administration, commissions/payroll or agency management systems based on information the candidate keys in just once at the beginning of the recruitment process.

Producer qualification registries, such as the National Producer Database, can feed a candidate's license and line information directly to a producer onboarding system so a carrier can know instantly whether the candidate is eligible to participate in a marketing campaign in a given state.

Direct, electronic connections between a carrier's producer management application and state insurance regulatory systems can be used to process just-in-time appointment requests for agents with business in hand, with state approvals returned the same day.

With systems networked, the checks and scrubbing involved with hiring a new agent can be fully automated. For example, a complete, error-free packet of electronic contracting forms with legal e-signatures routed automatically from an independent producer, agency or marketing partner to a carrier's licensing office, and instantly triggering automatic

producer credential lookups, background checks, appointment requests, welcome letters, etc.—not as separate steps in the onboarding process but as a single, unified workflow. In such a scenario, an agent or agency unknown to a carrier yesterday can be fully authorized to write policies in the morning, and can have earned a commission check by the evening.

Automating the workflow shortens the producer onboarding process. A condensed hiring cycle is critical to a carrier's bottom line, not only because it permits a producer to sell coverage sooner, but also because the carrier that burdens a top-performing producer with paperwork and delays often loses him or her to a competitor.

Fully networked systems working together to automate agent recruiting, onboarding and management are already in place. Forward-thinking organizations today are using automated "producer lifecycle management" solutions to lower administrative costs and throttle up revenue by redesigning hide-bound processes. **INN**

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